



**California Board of Accountancy**  
 2450 Venture Oaks Way, Suite 300  
 Sacramento, CA 95833

*phone:* (916) 263-3680    *fax:* (916) 263-3675    *web:* [www.cba.ca.gov](http://www.cba.ca.gov)



**DEPARTMENT OF CONSUMER AFFAIRS (DCA)  
 CALIFORNIA BOARD OF ACCOUNTANCY (CBA)**

**MINUTES OF THE  
 March 23-24, 2017  
 CBA MEETING**

**Westin Los Angeles Airport Hotel  
 5400 W. Century Blvd.  
 Los Angeles, CA 90045  
 Telephone: (310) 216-5858**

Roll Call and Call to Order.

California Board of Accountancy (CBA) President Alicia Berhow called the meeting to order at 11:01 a.m. on Thursday, March 23, 2017 at the Westin Los Angeles Airport Hotel. The CBA convened into closed session at 4:25 p.m. until 5:25 p.m. The CBA reconvened into open session on Friday, March 24, 2017 at 9:10 a.m. The meeting convened into closed session at 9:17 a.m. The meeting reconvened into open session at 10:10 a.m. President Berhow adjourned the meeting at 10:12 a.m.

**CBA Members**

Alicia Berhow, President  
 Michael M. Savoy, CPA, Vice-President  
 Mark Silverman, Esq. Secretary/Treasurer  
 Jose A. Campos, CPA  
 George Famalett, CPA  
 Karriann Farrell Hinds, Esq.  
 Laurence (Larry) Kaplan  
 Kay Ko  
 Xochitl León  
 Jian Ou-Yang, CPA  
 Sunny Youngsun Park, Esq.  
 Deidre Robinson  
 Katrina L. Salazar, CPA  
 Kathleen Wright, CPA

**March 23, 2017**

11:01 a.m. to 5:25 p.m.  
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 11:01 a.m. to 5:25 p.m.  
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 11:01 a.m. to 5:25 p.m.  
 11:01 a.m. to 5:25 p.m.  
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Sunny Youngsun Park  
Deidre Robinson  
Katrina L. Salazar, CPA  
Kathleen Wright, CPA

March 24, 2017

9:10 a.m. to 10:12 a.m.  
9:10 a.m. to 10:12 a.m.  
9:10 a.m. to 10:12 a.m.  
9:10 a.m. to 10:12 a.m.  
9:10 a.m. to 10:12 a.m.  
9:10 a.m. to 10:12 a.m.  
Absent  
Absent  
9:10 a.m. to 10:12 a.m.  
Absent  
9:10 a.m. to 10:12 a.m.  
9:10 a.m. to 10:12 a.m.  
9:10 a.m. to 10:12 a.m.  
9:10 a.m. to 10:12 a.m.

Staff and Legal Counsel

Patti Bowers, Executive Officer  
Deanne Pearce, Assistant Executive Officer  
Rich Andres, Information Technology Staff  
Aaron Bone, Information and Planning Officer  
Jonathan Burke, DCA Board and Bureau Relations Manager  
Veronica Daniel, Licensing Division Manager  
Paul Fisher, Supervising Investigative CPA  
Dominic Franzella, Chief, Enforcement Division  
Cindi Fuller, Licensing Manager  
Nooshin Movassaghi, Legislative Analyst  
Rebecca Reed, Board Relations Analyst  
Robert de los Reyes, DCA Budget Manager  
Michael R. Santiago, DCA Attorney III  
Kristy Schieldge, Legal Counsel, DCA  
Ben Simcox, CPA, Deputy Chief, Enforcement Division  
Carl Sonne, Deputy Attorney General, Department of Justice (DOJ)

Committee Chairs and Members

Joseph Rosenbaum, CPA, Chair, Enforcement Advisory Committee (EAC)  
Jeffrey De Lyser, CPA, Chair, Peer Review Oversight Committee (PROC)  
David Evans, CPA, Chair, Qualifications Committee (QC)

Other Participants

Arthur Chin, California Society of Certified Public Accountants (CalCPA)  
Jason Fox, CalCPA  
Pilar Oñate-Quintana, The Oñate Group  
Jon Ross, KP Public Affairs

I. Report of the President.

A. Introduction of New California Board of Accountancy Member Sunny Youngsun Park.

President Berhow welcomed Ms. Park to the CBA.

B. Resolution for Retiring Qualifications Committee Member Eric Borigini.

**It was moved by Mr. Campos and seconded by Ms. Salazar to approve the resolution for Mr. Borigini.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. Hinds, Mr. Kaplan, Ms. León, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Ko.**

C. Resolution for Retiring Enforcement Advisory Committee Member Robert Lee.

**It was moved by Mr. Campos and seconded by Mr. Savoy to approve the resolution for Mr. Lee.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. Hinds, Mr. Kaplan, Ms. León, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Ko.**

D. National Association of State Boards of Accountancy/American Institute of Certified Public Accountants Committee Interest Form.

President Berhow stated that members interested in serving on a National Association of State Boards of Accountancy or the American Institute of Certified Public Accountants (AICPA) committee should submit an application by the deadline.

E. Report on the Assembly Business and Professions Committee Informational Hearing on the Regulation of Corporations and the Impact on Professional Licensing.

Ms. Pearce stated that on March 14, 2017, a joint informational hearing was held by the Assembly Business and Professions Committee and the Senate Business, Professions and Economic Development Committee regarding professional licensing. She stated that the goal of this hearing was to review the current regulatory structure for professional corporations and assist legislators in determining if any changes are warranted. Representatives from the Center for Public Interest Law, the California Research Bureau, and the Office of Legislative Council were among the participants that provided testimony on the history and purpose of licensed professions and the regulation of corporations.

Ms. Pearce stated that she, along with assistance from President Berhow, provided testimony regarding partnerships and corporations, the CBA's practice privilege program, and information on the CBA's enforcement program.

F. Discussion and Possible Action Regarding the Need to Appoint a California Board of Accountancy Member Liaison to the Peer Review Oversight Committee.

Mr. Franzella stated that the CBA is being asked to adopt and appoint a Northern and Southern CBA member liaison to the Peer Review Oversight Committee (PROC). He stated that when the CBA established the PROC, the CBA was opposed to appointing liaisons because it was discussed that there were concerns that the liaisons would be exposed to peer reviews, and it could bias the PROC liaison. Mr. Franzella stated that PROC members do not review peer reviews, but instead oversee peer review providers. He stated that PROC members visit California Society of CPAs (CalCPA) and audit what CalCPA has been doing to ensure that the peer review program is working as intended. He stated that if the CBA appoints CBA member liaisons to the PROC, the liaisons could remain impartial if a case were brought before the CBA.

Ms. Wright inquired if the CBA member liaison would be able to attend the PROC meetings via Skype, Zoom or by any other type of video conferencing since the involvement of the CBA liaison during advisory committee meetings is brief.

Mr. Campos stated that the advisory committees are highly important to the work that the CBA does. He stated that the CBA request the chairs of the advisory committees attend CBA meetings, even though their roles in the CBA meetings are limited.

**It was moved Mr. Campos and seconded by Mr. Savoy to establish a Northern and Southern California CBA member liaison to the Peer Review Oversight Committee.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. Hinds, Mr. Kaplan, Ms. León, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Ko.**

**G. Proposed 2018 California Board of Accountancy Meeting Dates and Locations.**

Ms. Reed provided the proposed 2018 CBA meeting dates and locations.

Ms. Wright inquired if when choosing CBA meeting dates, are tax filing dates taken into consideration.

Ms. Bowers stated that historically, the dates that were established were at the discretion of the board. She stated that if members would like staff to avoid major tax filing dates when choosing meeting dates, then staff would need direction from the board to do so.

**It was moved by Mr. Campos and seconded by Mr. Savoy to adopt the 2018 CBA meeting dates and locations.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. Hinds, Mr. Kaplan, Ms. León, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Ko.**

**H. Overview of the License Renewal Process and Continuing Education Requirements for Certified Public Accountants/Public Accountants.**

Licensing Manager, Cindi Fuller provided an overview of the license renewal process and continuing education requirements for Certified Public Accountants/Public Accountants.

President Berhow inquired if active military licensees are required to fulfill the fingerprinting requirement once their active duty is complete.

Ms. Fuller stated that yes, once the licensee is done serving active duty, they are required to complete the fingerprinting requirement.

- I. Update on Outreach for Improving Employee Benefit Plan Audits in the Profession and Possible Continuing Education Requirements for Employee Benefit Plan Audits.

Mr. Bone stated that during the 2015-16 fiscal year the CBA received six enforcement referrals from the United States Department of Labor (DOL) regarding Employee Benefit Plan (EBP) audits, and so far this fiscal year the CBA has received two referrals.

Mr. Bone stated that at this time staff do not recommend that the CBA take action to require continuing education for the performance of EBP audits. He stated that instead staff would continue to monitor and report to the board any DOL referrals regarding EBP audits, add additional content to the CBA website to further explain the issue, increase the use of social media, continue to discuss the topic in the Update publication, partner with stakeholders to help increase awareness, and report back to the CBA on this issue in 12 months.

Ms. Wright inquired if staff have any information on how other state boards are handling DOL EBP audit referrals and if the CBA should advise the DOL of how the CBA is handling DOL EBP audits.

Ms. Pearce stated that as of the July 2016 CBA meeting, there were no other states that had continuing education requirements specific to EBP audits. She stated that it has not yet been 12 months, but if the CBA wishes, staff can inquire with other states to see if any states have adopted continuing education requirements regarding EBP audits since July 2016.

Mr. Savoy stated that when the Ian Dingwall, Chief Accountant for the DOL addressed the CBA, he stated that a large portion of these EBP audit referrals were in California and that other states would follow in the CBA's direction. He stated that the CPAs that conduct EBP audits need to receive more education.

Mr. Campos stated that he would prefer to continue to provide outreach on this matter and utilize self-correcting avenues rather than mandating new continuing education requirements that may or may not correct the issue.

Ms. Pearce stated that there was a request to bring this item back to the CBA in six months. She stated that there probably has not been sufficient time on the outreach component for licensees to implement any changes and have an impact on any potential enforcement referrals.

Ms. Salazar inquired that since the CBA has only received two DOL referrals so far this fiscal year, does staff feel like the outreach efforts are working.

Mr. Franzella stated that the referral process used by the DOL is an email based system that is sent through a secured server and unless the DOL sends referrals through this system, EBP audit complaints are not brought to the CBA's attention.

Ms. Salazar inquired if the CBA can reach out to the DOL and inquire if there are any pending referrals that the CBA has not yet received.

Mr. Franzella stated that he has not received any referrals in a while, but he can reach out to the DOL to see if there are any referrals that have not yet been sent to the CBA.

Mr. Savoy inquired if there has been more reports under the peer review aspect of deficient EBP audits and if firms did not notify peer reviewers that they were completing EBP audits.

Mr. Franzella stated that he does not have an answer to that question, but it is something he can look into.

Ms. Salazar stated that NASBA is trying to enhance getting information out to the NASBA Enforcement Resources Committee and that NASBA is working with the American Institute of Certified Public Accountants (AICPA) to make sure that there is another parallel mechanism in dealing with DOL EBP audits and other state board enforcement issues.

J. Discussion Regarding March 2017 California Supreme Court Decision: City of San Jose v. The Superior Court of Santa Clara County (the California Public Records Act and the Use of Private Electronic Devices to Conduct Public Business).

Ms. Schieldge stated that on March 2, 2017, the California Supreme Court filed a ruling whereby the court held that a city employee's writings about public business are not excluded from the California Public Records Act (CPRA) simply because they have been sent, received, or stored in a personal account. She stated that to qualify as a public record, the writing must relate in some way to the public's business.

Ms. Schieldge stated that due to the ruling, the CBA will need to craft policies and procedures indicating how the CBA will collect records from private accounts that are used by staff or CBA members.

Ms. Berhow stated that some CBA members use a private email account and others utilize a CBA email account. She inquired if anything needs to be done, if using a personal email account regarding this ruling.

Ms. Schieldge stated that, if members are concerned about utilizing a private email account for CBA business, members are able to establish an email

account through the CBA, that way it is easy to separate communications that are directly related to public business and those communications that are not.

Ms. Wright inquired if a CPRA would include email communications regarding copies of enforcement decisions.

Ms. Schieldge stated that yes those records could be included in a CPRA request. She stated that as the court indicates, everything related to public business is a public record. She stated that the record being disclosable is a different question. Ms. Schieldge stated that there are certain categories that exempt records from the CPRA disclosure which include confidential privileged communications including enforcement matters or confidential attorney/client communications.

Ms. Wright inquired if the CBA receives many public records requests.

Ms. Bowers stated that the CBA does receive quite a few public records requests, but does not know how that compares to public records request that other boards may receive.

- K. Developments Since the February 2015 United States Supreme Court Decision: North Carolina State Board of Dental Examiners v. Federal Trade Commission.

Ms. Schieldge stated that there is no update on this agenda item.

- L. Overview of Conflicts of Interest.

DCA Attorney III and Ethics Officer, Michael R. Santiago provided an overview of conflicts of interest and the annual filing of Form 700 economic interest reporting form.

- M. Department of Consumer Affairs Director's Report on Departmental Activities.

Mr. Burke reported that Governor Brown appointed Dean R. Grafilo as Director of the Department of Consumer Affairs. Mr. Burke reminded CBA members that 2017 is a mandatory training year for ethics training and sexual harassment prevention training and that all board members are required to complete the Form 700 by April 3, 2017.

- II. Report of the Vice-President.

- A. Recommendations for Appointment(s)/Reappointment(s) to the Enforcement Advisory Committee.

**It was moved by Mr. Campos and seconded by Ms. Salazar to reappoint William Donnelly, CPA and Thomas Gilbert, CPA and to appoint Doug Aguilera, CPA to the Enforcement Advisory Committee.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. Hinds, Mr. Kaplan, Ms. León, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Ko.**

**B. Recommendations for Appointment(s)/Reappointment(s) to the Qualifications Committee.**

Mr. Campos inquired if Ms. Honzik had adequate experience to serve on the Qualifications Committee (QC) given the fact that she has only been licensed as a CPA for five years.

Mr. Savoy stated that he had the same question during the review process that is conducted and after consulting with Ms. Bowers and the QC committee chair, Mr. Evans, they believed that Ms. Honzik has sufficient experience and would be an asset to the QC.

Mr. Campos requested that moving forward with future appointments, there should be more information included with the applicant information, when the applicant has limited experience.

Mr. Evans stated that Ms. Honzik has extensive auditing experience, not just since she has been licensed as a CPA, but prior to that working for her firm. He stated that he and vice-chair, Ms. Sugiyama felt very comfortable in their recommendation of Ms. Honzik to the QC.

**It was moved by Ms. Hinds and seconded by Mr. Silverman to reappoint Saboohi Currim, CPA, Kristian George, CPA, and José Palma, CPA and appoint Angela Honzik, CPA and Cliff J. Leiker, CPA to the Qualifications Committee.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. Hinds, Mr. Kaplan, Ms. León, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Ko.**

- C. Recommendations for Appointment(s)/Reappointment(s) to the Peer Review Oversight Committee.

**It was moved by Mr. Silverman and seconded by Ms. Robinson to reappoint Jeffrey De Lyser, CPA and Kevin Harper, CPA and to appoint Sharon Selleck, CPA to the Peer Review Oversight Committee.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. Hinds, Mr. Kaplan, Ms. León, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Ko.**

III. Report of the Secretary/Treasurer.

A. Overview of the Budget Process.

DCA Budget Manager, Robert de los Reyes provided an overview of the budget process.

B. Fiscal Year 2016-17 Mid-Year Financial Statement.

Mr. Silverman reported that the Governor's proposed budget for Fiscal Year (FY) 2017-18 is \$13,410,000. He stated that the CBA collected approximately \$5.1 million in revenues as of December 31, 2016, which is a nine percent increase from the same period last fiscal year. He stated that there has been a six percent decrease in expenditures from the same period last fiscal year, which is due to a decrease in personnel costs due to expiring limited term positions.

Mr. Silverman stated that the Department of Finance issued an updated Loan Obligation Report, identifying June 2017 as the date for repayment of the remaining CBA loans made to the State's General Fund. He stated that repayments of the remaining three loans totaling \$21 million plus interest will bring the General Fund loan balance to zero.

Mr. Silverman stated that the CBA is currently reviewing all program areas to determine what, if any resource needs may be requested through the budget change proposal process for FY 2018-19.

#### IV. Report of the Executive Officer.

##### A. Update on the Relocation of the California Board Accountancy's Office.

Ms. Bowers reported that the CBA office relocation will take place April 7, 2017 through April 10, 2017. She stated that during this time, incoming calls will be transferred to the DCA's call center.

##### B. Update on Staffing.

There is no report on this agenda item.

##### C. Update on the California Board of Accountancy's Communications and Outreach.

Mr. Bone reported that CBA member, George Famalett spoke to accounting students at Cal Poly State University, San Luis Obispo on February 2, 2017. Mr. Famalett discussed the requirements and process to become a CPA and shared his experiences and perspective on the profession.

Mr. Bone reported that on February 9, 2017 CBA staff traveled to California State University (CSU), Chico to speak at an outreach event jointly sponsored by CalCPA and CSU Chico titled "The Road to CPA" and featured speakers from the University's Accounting Department, Becker CPA Exam Review, and the local chapter of Beta Alpha Psi. He stated that CBA staff spoke about the licensure process, including the examination, education, and experience requirements, and the common challenges that applicants face.

Mr. Bone stated that staff is in contact with the Accounting Program Manager at the University of California, San Diego Extension Campus to conduct an outreach event for students in the late summer or early fall.

##### D. Discussion Regarding Reinstatement Procedures for Voluntarily Surrendered Certified Public Accountant Licenses.

Mr. Franzella provided an overview of the procedures for voluntarily surrendered CPA licenses. He stated that the voluntary surrender of a CPA license came about to provide licensees an option to surrender their licensee who no longer wished to practice public accountancy. He stated that licensees felt it carried a negative connotation to let their license cancel, especially for those who were retiring before the CBA offered the retired status.

Mr. Franzella stated that there are approximately 110 individuals that have surrendered their CPA license over the last ten years. He stated that as part of the surrendering process, staff ensured licensees understood the implications of surrendering their license and the process for having the license reinstated.

He also stated that at the time of surrender, the licensee must have no discipline or complaint pending against them. Although, even if a complaint comes about shortly after the surrender, the CBA still is able to seek disciplinary action.

Mr. Franzella stated that for a licensee to have a license reinstated, the licensee must petition the CBA for consideration. He stated that to date, the CBA has only had one licensee seek reinstatement and that was in 2009. He stated that based on guidance from prior DCA legal counsel, the CBA used a similar process for the reinstatement process as it used for disciplinary cases, except in that particular matter, the CBA heard the petition itself without the use of an Administrative Law Judge (ALJ) and DCA legal counsel prepared the decision.

Mr. Franzella stated that in consultation with current DCA legal counsel, the CBA has been provided new guidance for the process regarding the reinstatement petition process for voluntarily surrendered licenses. He stated that legal counsel has advised that the voluntarily surrendered licenses process should have the same structure as a traditional petition for reinstatement. He stated that this would include that an ALJ would preside over the matter and prepare the decision. He stated that staff will continue to work with legal counsel to make any changes or adjustments to the procedures in the future to accept or request surrender and to process a petition for reinstatement.

Mr. Campos inquired on why the CBA would need to utilize an ALJ to preside over a reinstatement of the license that did not involve any discipline.

Ms. Schieldge stated that the reason the CBA needs to have an ALJ preside over a reinstatement petition for a voluntarily surrendered license is because the CBA only has one statute for reinstatement and that statute does not distinguish between reinstatement for a voluntarily surrendered license versus a surrendered license in lieu of discipline. She stated that in the future, the CBA may want to pursue a legislative amendment, if the CBA would like to make a distinction between the two types of reinstatements.

Ms. Schieldge stated that secondly, it is an evidentiary hearing and the difference would be not on what the licensee is rehabilitated from, but whether the licensee is currently competent to step back into practice and what the licensee has done since the surrender of their license. She stated that both reinstatements would be heard by an ALJ because the ALJ would weigh evidence and take information and questions and rule on evidence.

Mr. Campos inquired on what the provision is for retirees that would like to become an active licensee again.

Mr. Franzella stated that for both retired individuals and individuals that are converting from an inactive status to an active status, the reinstatement process

is completed through what is called a status conversion and it is similar to the continuing education requirements that exists for license renewal.

Mr. Franzella stated that the other scenario is when a license has been cancelled after not being renewed for five years. He stated that rather than going through the entire application documentation, the certificate of experience and the examination grades, in which the CBA already has, the CBA has established an application process in which the licensee would submit the completed application and provide the required continuing education to obtain a current CPA license.

Ms. Schieldge stated that the problem is that the retired status statute was enacted after the petition for voluntary surrender statute and the CBA may want to consider modifying the voluntary surrender statute so the restoration process would be similar to the retired status restoration process.

Ms. Hinds stated that if the CBA would like to rectify this, the CBA would need to go through the legislative process. She stated that she is hesitant to advise staff to proceed with a change in statute for the low number licenses that were voluntarily surrendered and it may cause more work than it is worth. She stated that maybe the staff can reach out to those that have voluntarily surrendered their license and give them the option of converting the license to the retired status.

Mr. Franzella stated that the primary hurdle is that those that voluntarily surrendered their license do not have a license or an opportunity to change their status, because once a license is surrendered, you no longer have a license and you have no authority to do anything above and beyond that.

Ms. Hinds inquired on the ages of those who voluntarily surrendered their license.

Mr. Franzella stated that he does not know the ages. He stated that when this option became available, the majority of the correspondence received regarding the voluntary surrender of a license were from individuals that were wanting to retire. He stated that this could also include individuals that have relocated to another state and transferred their license to that state and no longer are in need of a California CPA license.

V. Report on the Enforcement Advisory Committee, Qualifications Committee, and Peer Review Oversight Committee.

A. Enforcement Advisory Committee.

1. Overview of the Enforcement Advisory Committee's Purpose, Function, and Role.

Mr. Rosenbaum provided an overview of the purpose, function, and role of the Enforcement Advisory Committee.

2. Report of the February 2, 2017, Enforcement Advisory Committee Meeting Activities.

Mr. Rosenbaum reported that members reviewed one open case and 16 closed cases and held three investigative hearings.

B. Qualifications Committee.

1. Overview of the Qualifications Committee's Purpose, Function, and Role.

Mr. Evans provided an overview of the purpose, function, and role of the Qualifications Committee.

C. Peer Review Oversight Committee.

1. Overview of the Peer Review Oversight Committee's Purpose, Function, and Role.

Mr. De Lyser provided an overview of the purpose, function, and role of the Peer Review Oversight Committee (PROC).

2. Report of the February 3, 2017, Peer Review Oversight Committee Meeting Activities.

Mr. De Lyser reported that the PROC completed its work on the 2016 PROC Annual Report and the PROC discussed the January release of the American Institute of Certified Public Accountant's (AICPA) paper titled "Proposed Evolution of Peer Review Administration."

3. Presentation and Possible Approval of the 2016 Peer Review Oversight Committee Annual Report.

Mr. De Lyser presented the 2016 PROC Annual Report.

**It was moved by Mr. Campos and seconded by Mr. Famalett to accept the 2016 PROC Annual Report.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. Hinds, Mr. Kaplan, Ms. León, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Ko.**

4. Discussion Regarding the American Institute of Certified Public Accountants' January 2017 Peer Review Administration White Paper.

Mr. De Lyser reported that the AICPA released two papers related to proposed changes to its administration of peer review last year. He stated that in both papers the AICPA was considering a significant reduction in the number of administering entities from 43 to between eight and ten. He stated that the purpose of the proposed changes were to increase the quality, consistency, efficiency, and effectiveness in the administration of peer review.

Mr. De Lyser stated that in August of last year, the PROC reviewed the two initial papers and heard from representatives from CalCPA, which is the administering entity in California, CalCPA has indicated that it would continue to operate the administering entity in California and given this confirmation, at the CBA meeting in September 2016, the PROC recommended that the CBA support those efforts being undertaken by the AICPA to enhance the effectiveness, consistency, and quality of peer reviews.

In January, the AICPA issued a revised paper which stated that it is no longer seeking to reduce the number of administering entities or have a minimum annual requirement for peer reviews administered and that the revised model would require the administering entities to meet specific benchmarks, and increase transparency of administering entity performance.

Mr. De Lyser stated that the PROC discussed the revised paper at its meeting in February and the PROC determined that the proposed changes will not impact the CBA's ability to oversight the AICPA Peer Review Program and that no further action or comment letter was necessary. Mr. De Lyser stated that subsequent to the February PROC meeting, information was received regarding feedback and concerns voiced by the National Association of State Boards of Accountancy and other state boards of accountancy which includes concerns regarding a lack of transparency, and costs associated with obtaining a peer review, including the impact the costs may have on a small firm.

Mr. De Lyser stated that this topic will be deferred to the May PROC meeting, and will be brought back for discussion at the May CBA meeting and that the deadline for a comment letter to be submitted is June 30, 2017.

## VI. Report of the Enforcement Chief.

### A. Enforcement Activity Report.

Mr. Franzella reported that the CBA has received 1,710 complaint in the first seven months of FY 2016-17 and 550 of the complaints were received over the past two months. He stated that so far over 1,300 investigations have been assigned this fiscal year and 1,400 investigations have been closed.

Mr. Franzella stated that staff have closed 46 cases older than 24 months and there are seven cases pending at the AG's office that are older than 24 months. He stated that staff notifies CPAs who were disciplined by either the Securities and Exchange Commission or the Public Company Accounting Oversight Board to inform them that they must seek CBA authorization prior to practicing in California.

Mr. Franzella stated that currently the Enforcement Division is recruiting for two limited term Investigative CPAs, one Investigative CPA Retired Annuitant, one Associate Governmental Program Analyst (AGPA) for the Compliance Unit, and one Limited Term Office Technician.

Mr. Silverman inquired if there has been any change in policy because the number of citations so far has decreased from the previous year.

Mr. Franzella stated that the lower number of citations is due to the increased outreach with licensees during the complaint process.

## VII. Report of the Licensing Chief.

### A. Licensing Activity Report.

Ms. Daniel reported that the Licensing Division continues to experience an increase in calls and emails in applicant inquiries regarding the new version of the Uniform CPA Examination (Exam), which will take effect on April 1, 2017, as well as status inquiries regarding processing timeframes. She stated that first time applications for the Uniformed CPA Exam are being processed within 35 days and repeat applications are being processed within eight days. She stated that even though the processing timeframe for initial CPA licensure applications for February was 42 days, the fiscal year to date average processing timeframe is 31 days.

Ms. Daniel stated that four of the five vacancies have been filled and hope to have the AGPA position filled very soon.

### B. Discussion on Focus Areas for Outreach as a Result of Stakeholder Comments Received From the California Board of Accountancy's Study on California's Attest Experience Requirement.

Ms. Daniel stated that the purpose of the study on California's attest experience requirement was conducted to gather feedback on whether the present 500 hour requirement for attest licensure was necessary and sufficient to support the CBA's mission to protect consumers. She stated that the two year study showed that the 500 hour attest requirement was sufficient. Ms. Daniel stated that comments received from the study identified three areas for future outreach. The first was confusion regarding a "General" verses "Attest" licensure, second was issues with obtaining attest experience, and the third was confusion regarding continuing education/license renewal requirements. She stated that going forward, staff will begin developing messages to stakeholders, target timeframes for messaging, and best methods for communication, such as the CBA website, social media, Update articles, E-news, and partnerships with outside organizations.

Mr. Savoy inquired if there is confusion at the licensee level or the public not knowing the difference between "General" and "Attest" experience.

Ms. Daniel stated that part of the stakeholder groups that were identified for this study were consumers and there were some open ended comments from consumers.

## VIII. Committee Reports.

### A. Committee on Professional Conduct.

1. Report of the March 23, 2017, Committee on Professional Conduct Meeting.
2. Discussion and Possible Action to Initiate a Rulemaking to Amend Title 16, California Code of Regulations Sections 88, 88.1, 88.2, and 89 – Continuing Education Requirements for Nano and Blended Learning Programs and Measurements.

Mr. Famalett reported that staff have identified four sections of the continuing education requirements which require amendments.

The first is section 88 which establishes and defines nano learning and blended learning and the requirements necessary to qualify as a continuing education program. Additionally, a nano learning program shall not award continuing education credit for the ethics, fraud, or regulatory review requirements.

The second is section 88.1 which establishes and defines provider requirements.

The third is section 88.2 which establishes and defines nano learning and blended learning program measurement requirements to include the amount

of credit to be awarded in one-fifth increments for all delivery methods and specifies timeframes and the minimum passing score for completion.

The fourth is section 89 which establishes and defines requirements for retention and documentation for nano learning and blended learning programs.

**The CPC recommends that the CBA approve the proposed regulatory text in Title 16, California Code of Regulations sections 88, 88.1, 88.2, and 89, and direct staff to submit the text to the director of the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency for review and if no adverse comments are received, authorize the Executive Officer to take all necessary steps to initiate the rulemaking process, make any non-substantive changes to the package, and set the matter for a hearing.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. Hinds, Mr. Kaplan, Ms. Leon, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, and Mr. Silverman.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Ko.**

**Recuse: Ms. Wright.**

3. Discussion Regarding Standards for Electronically Collected, Transmitted, or Stored Confidential Client Information.

Mr. Famalett stated that staff reported that both Business and Professions Code section 5063.3 and CBA Regulations section 54.1 contain provisions that no confidential information obtained by a licensee shall be disclosed without the permission of the client or prospective clients, except under specific exceptions which are detailed in both the statute and regulation.

4. Discussion on the National Association of State Boards of Accountancy's Exposure Draft Regarding Model Rules for Continuing Professional Education.

Mr. Famalett stated that staff presented the proposed changes to the Model Rules for Continuing Professional Education, which included relevant changes to five of the rules.

First, a rule has been added to provide clarification of technical subjects that contribute to the competence of a CPA and that directly relate to the CPA's field of business.

Second, a rule has been added to identify non-technical subjects that indirectly relate to the CPA's field of business.

Third, a rule has been revised to require an average of two hours of ethics continuing education in each year of the reporting period.

Fourth, a rule that did not previously identify, and has now been revised, to identify learning activities and delivery methods, including nano and blended learning.

Fifth, a rule has been revised to provide computation program measurements for all delivery methods and learning activities and also specifies that continuing education credit can be earned in one-fifth increments after the first full credit has been earned for specified delivery methods.

#### B. Legislative Committee.

1. Report of the March 23, 2017 Legislative Committee Meeting.
2. Review and Consideration of Possible Positions on Legislation Impacting the California Board of Accountancy.
  - a. Update on Previously Approved Legislative Proposal Regarding Credential Evaluation Services Requirements and Written Nondisclosure Agreements.

Ms. Hinds stated that staff reviewed the previously CBA approved proposals to amend Business and Professions Code (BPC) sections 5094(d) and 5063.3(a)(4). She stated that staff submitted both proposals to the Senate Business, Profession and Economic Development Committee and both will be included in their omnibus bill.

- b. Assembly Bill 349 – Department of Consumer Affairs: Applicants for Licensure: Special Immigrant Visas.

Ms. Hinds stated that Assembly Bill (AB) 349 was amended since the mail out and staff reported that the amended version provides anyone with a special immigrant visa extra points when taking a civil service exam in the pursuit of employment with the state of California.

- c. Assembly Bill 703 – Professions and Vocations: Licenses: Fee Waivers.

Ms. Hinds stated that AB 703 would require every board within DCA to grant a fee waiver for the application and issuance of an initial license for an applicant who is married to or in a domestic partnership or other legal union with an active duty member of the Armed Forces of the United States, if the applicant holds a current license in the same profession in another state.

She stated that currently, a board within DCA is required to expedite the licensure process for an applicant who is married to or in any other legal union with an active duty member of the military. She stated that according to the author's office, this bill would ease administrative and financial burdens for families moving to California for military duty.

Ms. Hinds stated that staff reached out to the Senator Morell's office, the author of a similar bill introduced last year, Senate Bill (SB) 1155. Staff were informed that SB 1155 was approved by unanimously by the Senate and by two all policy committees in the Assembly but did not pass the Assembly Appropriations Committee.

Ms. Hinds stated that although the Legislative Committee (LC) did not vote to support this bill, the CBA may take action if they wish at this time.

**It was moved by Mr. Campos and seconded by Ms. Salazar to take a support position on AB 703 which would require every board within DCA to grant a fee waiver for the application and issuance of an initial license for an applicant who is married to or in a domestic partnership or other legal union with an active duty member of the Armed Forces of the United States, if the applicant holds a current license in the same profession in another state.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. Hinds, Mr. Kaplan, Ms. León, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, Mr. Savoy, and Ms. Wright.**

**No: None.**

**Abstain: Mr. Silverman.**

**Absent: Ms. Ko.**

- d. Assembly Bill 1190 – Department of Consumer Affairs: BreEZe System: Annual Report.

Ms. Hinds stated that AB 1190 would add a section to the Business and Professions Code to require DCA to submit an annual report to the Legislature that includes, among other things, DCA's plans for

implementing the third phase of the BreEZe system at specified regulatory entities and a timeline for the implementation.

**The LC recommended that the CBA take a support position on AB 1190.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. Hinds, Mr. Kaplan, Ms. León, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Ko.**

e. Assembly Bill 1631 – Professional Services.

Ms. Hinds stated that AB 1631 would add the definition of “professional services” contained in the Moscone-Knox Professional Corporation Act to Business Professions Code.

**The LC recommended that the CBA take a watch position on AB 1631.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. Hinds, Mr. Kaplan, Ms. León, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Ko.**

f. Senate Bill 27 – Professions and Vocations: Licenses: Military Service.

Ms. Hinds stated that SB 27 would add a new section to Business Professions Code requiring every board within DCA to grant a fee waiver for the application for and the issuance of an initial license to an applicant who is an honorably discharged veteran. She stated that current law requires each board to inquire in every application if the individual applying for licensure is serving in, or has previously served in the military. Additionally, a board is required to expedite and assist the initial licensure process for an applicant who has served in the military.

**The LC recommended that the CBA take a support position on SB 27, as it is in line with the CBA's positions on previous legislation offering assistance to military personnel and is consistent with the support position the CBA took last year on SB 1155.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. Hinds, Mr. Kaplan, Ms. León, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Ko and Mr. Savoy.**

- g. Senate Bill 496 – Department of Consumer Affairs: Regulatory Boards: Removal of Board Members.

Ms. Hinds stated that SB 496 would allow the Governor to remove a DCA board member appointed by the Governor from their position if they fail to attend board meetings. She stated that under current law, the Governor has the power to remove any board member appointed by him/her if that member neglects their duties required by law, is incompetent, or engages in unprofessional conduct.

Ms. Hinds stated that the LC recommends the CBA take a watch position on this bill.

Ms. Berhow inquired if the current Governor would be able to remove any members that were appointed by a previous governor.

Ms. Schieldge stated that it does not matter what governor is in office because members serve at the pleasure of the current governor.

Mr. Campos inquired on why we would watch this bill and not just take a support position on the bill. He stated that members serve at the pleasure of the Governor and attendance is expected of a board member.

Ms. Hinds stated that she raised the question of this bill because this bill seemed redundant. She stated that the Governor already has broad powers regarding the removal of board members. Ms. Hinds inquired if staff had information on what precipitated this bill, which they did not. Ms. Hinds stated that she wanted to take a watch position to see what happens with this bill.

Ms. Salazar stated that she is in favor of supporting this bill. She stated that our board does not have any attendance issues, but she does not know if this is the case with other boards. She stated that she would like to strengthen the legal basis for setting board members expectations and this bill will benefit the consumer.

**The LC recommended that the CBA take a watch position on SB 496.**

**Yes: Mr. Famalett, Ms. Hinds, Mr. Ou-Yang, and Ms. Robinson.**

**No: Ms. Berhow, Mr. Campos, Mr. Kaplan, Ms. León, Ms. Park, Ms. Salazar, Mr. Silverman, and Ms. Wright.**

**Abstain: None.**

**Absent: Ms. Ko and Mr. Savoy.**

**It was moved by Mr. Campos and seconded by Ms. Salazar to take a support position on SB 496.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Kaplan, Ms. León, Ms. Park, Ms. Salazar, Mr. Silverman, and Ms. Wright.**

**No: Mr. Famalett, Ms. Hinds, Mr. Ou-Yang, and Ms. Robinson.**

**Abstain:**

**Absent: Ms. Ko and Mr. Savoy.**

**h. Senate Bill 795 – Accountancy: Practice Privileges.**

Ms. Hinds stated that an email was sent to members with a memo from the stakeholders associated with SB 795 stating that there were inadvertent drafting errors that the sponsors indicated will be corrected as SB 795 moves forward. She stated that the primary purpose of the legislation is to repeal the January 1, 2019 sunset date from the no notice, no fee, practice privilege program.

Mr. Campos stated that this bill was also discussed this morning during the MSG meeting. He stated that if amended, a support position would be a viable option for this bill. Mr. Campos stated that he would agree that some of the amending of the factors that were outlined would be important and that would send a better message than just a watch position.

Ms. Hinds stated that the reason the LC is recommending to take a watch position on SB 795 is that after discussion regarding the errors or changes that would potentially be made to the bill, the LC thought it would be more appropriate to wait and see what the changes will be.

Ms. Schieldge stated that because the Mobility Stakeholder Group Final Report has not been completed and the CBA has not completed the analysis of the viability of the mobility program, it would be advisable not to weigh in on changes to the law that you are administrating until the CBA has completed its thorough assessment of the mobility program.

Mr. Campos stated that the law provisions would not be impacted by repealing a sunset date. He stated that if the heart of this bill, is to remove the sunset date, and the items that were inadvertent are amended, then I would move to support this bill.

Ms. Hinds stated that the changes to the bill pertains to sections 5096.13 and 5096(a)(1) and the changes that will need to be made to that portion of the bill could be a fairly significant change that could have some impact on the operation of the bill. She stated that if the CBA were to support this bill at this time, it would require the committee to come back to the CBA to take affirmative action on the bill as opposed to, if the CBA takes a watch position, staff will continue to monitor the bill and can bring the bill back to the next meeting. This ensures that the legislature is acting expeditiously to move through the process. She stated that once the legislature has made the amendments, then the LC at that time can look at the changes and decide if the changes impact the bill in a way that undermines the authority or oversight of the CBA, then there would be no reason for the CBA to support the bill as amended.

Ms. Salazar inquired whether or not one position over another would send mixed signals.

Ms. Bowers stated that the watch position will put the legislature on notice that the CBA has some interest in the bill, but you are neither opposing or supporting the bill at this time. She stated that you are just watching to see what happens. Generally, a support with admendments position sends the author of the bill a message that once the amendments are made with satisfaction, the CBA will support the bill.

Ms Hinds inquired if the CBA takes a support with amendments position and an amendment comes back that the CBA is not in favor of, then the CBA has to go through the process of explaining why the CBA does not like the amendment or why the CBA is withdrawing their support conditional upon the amendment coming back to the CBA. She stated that if the CBA takes a watch position, then the CBA would get the

amended bill back and would take a position on the bill in a way the CBA would like to support the bill. She stated that this would be better than being put in a position that would require us to revise or give guidance back to the legislative body on what the CBA's position is.

Mr. Campos stated that any position the CBA takes on this bill, would put it on the CBA's radar and the bill will need to be monitored because our position on the bill could change.

Ms. Schieldge stated that there are two reasons why she is recommending that the CBA take a watch position on the bill. The first being that there is plenty of time to take a position on this bill. The second being the effect of the repeal in this proposal is that you are saying that you are okay with the mobility or practice privilege program and that it protects consumers, which is what this board is suppose to be doing in reporting back to the legislature. She stated that the MSG is analyzing the way the program is working and because the MSG final report is not completed, it is premature to take a support position on this bill.

**The LC recommended that the CBA take a watch position on SB 795.**

**Yes: Ms. Berhow, Mr. Famalett, Ms. Hinds, Mr. Kaplan, Ms. León, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, and Mr. Silverman.**

**No: Mr. Campos, Mr. Savoy, and Ms. Wright.**

**Abstain: None.**

**Absent: Ms. Ko.**

- i. Other Bills Being Watched by the California Board of Accountancy (Assembly Bill 12, Assembly Bill 492, Assembly Bill 826, Assembly Bill 827, Assembly Bill 835, Assembly Bill 876, Assembly Bill 1005, Assembly Bill 1053, and Senate Bill 247).

Ms. Hinds stated that staff provided a brief overview of the amended version of Senate Bill 247.

**The LC recommended that the CBA take an oppose position on SB 247.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Mr. Kaplan, Ms. León, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: Ms. Hinds.**

**Abstain: None.**

**Absent: Ms. Ko.**

3. Legislative Items for Future Meeting. The California Board of Accountancy may discuss other items of legislation in sufficient detail to determine whether such items should be on a future California Board of Accountancy meeting agenda and/or whether to hold a special meeting of the California Board of Accountancy to discuss such items pursuant to Government Code section 11125.4.

C. Mobility Stakeholder Group.

1. Report of the March 23, 2017, Mobility Stakeholder Group Meeting.
2. Mobility Stakeholder Group Decision Matrix and Stakeholder Objectives.

This was a written report only.

3. Timeline for Activities Regarding Determinations to be Made Pursuant to Business and Professions Code Section 5096.21.

Mr. Campos reported that the timeline was updated to reflect the recent authority the CBA obtained to initiate an emergency rulemaking to remove states, from the no notice, no fee practice privilege program.

**The MSG recommended that the CBA adopt the revised timeline.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. Hinds, Mr. Kaplan, Ms. León, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Ko.**

4. Review and Possible Approval of the 2016 Mobility Stakeholder Group Annual Report.

Mr. Campos reported that some of the changes to the November version of the MSG Annual Report include updated statistics to reflect all activity that occurred through the end of 2016, the background section was enhanced to include additional information regarding SB 1405 which now includes a

discussion of the CBA's responsibility to review each state's enforcement practices, and staff clarified the descriptions of the process to assess each state, including the collaboration between NASBA and the CBA staff in the Activities and Accomplishments section.

Mr. Campos stated that the MSG will issue a final report to the CBA and work with staff to develop a preliminary draft of the CBA's report to the Legislature this year.

**The MSG recommended that the CBA adopt the 2016 Mobility Stakeholder Group Annual Report.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. Hinds, Mr. Kaplan, Ms. León, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Ko.**

5. Review and Consideration of the Current Practice Privilege Program Provisions of the Accountancy Act and Possible Recommendations on Whether Any Legislative Changes Are Necessary.

Mr. Campos reported that on February 17th Senator Cathleen Galgiani introduced SB 795 which would remove the January 1st 2019 repeal date of the CBA's practice privilege program, therefore making the program permanent. Mr. Campos stated that Jon Ross, representing the sponsor of SB 795, addressed the MSG and indicated that the Legislature was not likely to take final action on the bill until the CBA completes its final report to the Legislature, which is currently due January 1, 2018.

6. Discussion Regarding the National Association of State Boards of Accountancy's Activities and CPAVerify.

Mr. Campos reported that CBA Executive Officer Patti Bowers attended the National State Board of Accountancy's (NASBA) 35<sup>th</sup> Annual Conference for Executive Directors and Deputy Attorney General Carl Sonne attended NASBA's 22<sup>nd</sup> Annual Conference for Legal Counsel in New Orleans.

Mr. Campos reported that at this time there are 51 jurisdictions participating in the Accountancy Licensee Database (ALD) and CPAVerify. He stated that Delaware, Hawaii, Utah, and Wisconsin are not yet participating in ALD and CPAVerify, but it is anticipated Wisconsin will be participating in the ALD by the end of 2017.

7. Discussion Regarding Proposed Agenda Items for the Next Mobility Stakeholder Group Meeting.

Mr. Campos reported that some of the proposed agenda items for the next MSG meeting include further review of any additional states identified by NASBA as substantially equivalent, the draft of MSG Final Report to the CBA, and the MSG will evaluate factors relevant to Business and Professions Section 5096.21(f)(2): whether the current no notice, no fee practice privilege program is, in the opinion of the board, more, less, or equivalent in the protection it affords the public than its predecessor program.

IX. Acceptance of Minutes.

- A. Minutes of the January 26, 2017, California Board of Accountancy Meeting.
- B. Minutes of the January 26, 2017, Committee on Professional Conduct Meeting.
- C. Minutes of the January 26, 2017, Legislative Committee Meeting.
- D. Minutes of the November 17, 2016, Mobility Stakeholder Group Meeting.
- E. Minutes of the December 8, 2016, Enforcement Advisory Committee Meeting.
- F. Minutes of the December 9, 2016, Peer Review Oversight Committee Meeting.

**It was moved by Mr. Campos and seconded by Mr. Silverman to approve agenda items IX.A. through IX.F.**

**Yes: Ms. Berhow, Mr. Campos, Mr. Famalett, Ms. Hinds, Mr. Kaplan, Ms. León, Mr. Ou-Yang, Ms. Park, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Ko.**

X. Other Business.

A. American Institute of Certified Public Accountants.

- 1. Report on Public Meetings of the American Institute of Certified Public Accountants Attended by a California Board of Accountancy Representative.

There was no report on this agenda item.

B. National Association of State Boards of Accountancy.

1. Report on Meetings of the National Association of State Boards of Accountancy Attended by a California Board of Accountancy Representative.

a. Report on the National Association of State Boards of Accountancy February 1, 2017 Pacific Regional Conference Call.

Ms. Berhow stated that she and Ms. Bowers participated in a NASBA Pacific Regional conference call on February 1, 2017. She stated that each board was asked to report on current activities and provide a challenge that it is currently facing. She stated that activities she reported on included the CBA's adoption of regulations to provide prescribed continuing education for licensees who perform engagements as their highest level of service and it is anticipated that the regulations would be finalized in 2017, the changes to the CBA regulations regarding blended learning, nano learning, and one-fifth program measurements, and the change to the ethics requirement for CPA licensure.

She stated that one of the challenges the CBA is facing is the relocation of the CBA offices.

b. Report on the National Association of State Boards of Accountancy March 14-16, 2017 Executive Directors and Legal Counsel Conference.

Ms. Bowers stated that during the conference there was much talk of holding board meetings on college campuses. She stated that the timing for this was good as the CBA is working with California State University (CSU), Fullerton to hold the September 2017 CBA meeting at this location. She stated that NASBA has offered their resources to work with the CBA on increasing student participation at board meetings.

Mr. Sonne stated that at the legal portion of the conference, he participated in a panel of three that addressed tips on handling investigations. He stated that these types of seminars are helpful because we are able to see what legal issues and challenges other states are facing.

2. Report on Committee Meetings of the National Association of State Boards of Accountancy Attended by a California Board of Accountancy Member.

a. Communications Committee.

There was no report on this agenda item.

- b. Report on the January 19, 2017 Enforcement Resources Committee Meeting.

Ms. Salazar stated that there was a lot of time spent on orientation and what the charge of the committee is during this meeting. She stated that the purpose of the Enforcement Resources Committee is to provide efficient and uniformed professional standards between state boards. She stated that there was conversation about Department of Labor referrals and how to improve communication with other state boards.

- c. Report on the February 22, 2017 Computer-Based Testing Administration Committee Conference Call.

There is no report on this agenda item.

- d. Report on the January 24, 2017 Continuing Professional Education Committee Conference Call.

Ms. Wright stated that much of the conference call was spent on orientation. She stated that at the April conference call nano learning and blended learning will be discussed along with the regulations and the feedback that NASBA is receiving from the various boards as these rules are adopted.

#### XI. Closing Business.

A. Public Comments.

B. Agenda Items for Future California Board of Accountancy Meetings.

#### XII. Closed Session.

A. Pursuant to Government Code Section 11126(c)(3), the California Board of Accountancy Convened Into Closed Session to Deliberate on Disciplinary Matters (Stipulated Settlements, Default Decisions, and Proposed Decisions).

B. The Board will convene in closed session pursuant to Government Code section 11126(e)(1) to confer with and receive advice from legal counsel on litigation (Ned Alan Leiba v. California Board of Accountancy, Sacramento County Superior Court, Case No. 34-2016-80002453).

#### XIII. Petition Hearings.

A. Gary Meltzer – Petition for Reinstatement of Surrendered Certificate.

The CBA heard Mr. Meltzer's petition for reinstatement of surrendered certificate.

- B. Closed Session: Pursuant to Government Code Section 11126(c)(3), the California Board of Accountancy Will Convene into Closed Session to Deliberate on the Above Petition.

President Berhow adjourned the meeting at 10:12 a.m. on Friday, March 24, 2017.

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Alicia Berhow, President

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Mark J. Silverman, Esq., Secretary/  
Treasurer

Rebecca Reed, Board Relations Analyst, and Patti Bowers, Executive Officer, CBA, prepared the CBA meeting minutes. If you have any questions, please call (916) 561-1718.